Message Text

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ACTION TRSE-00

INFO OCT-01 NEA-10 ISO-00 EB-11 STR-08 COME-00 AGR-20

TAR-02 SPC-03 SAM-01 AID-20 NSC-10 RSC-01 CIEP-02

SS-20 OMB-01 CEA-02 PA-04 PRS-01 USIA-15 L-03 DRC-01

H-03 IO-14 /153 W

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E.O. 11652: N/A TAGS: ETRD, IS

SUBJ: EXPORT CONTROLS AND EXPORT TAXES IMPOSED BY

FOREIGN GOVERNMENTS

REF: A. STATE 22871 B. STATE 23940 C. TEL AVIV 0835

1. MINISTRY OF COMMERCE AND INDUSTRY CONFIRMS OUR REPORT ON SHORT SUPPLY PROBLEMS (REF C). WHILE THERE ARE NO OFFICIAL OR FORMAL PROHIBITIONS ON EXPORTS, IN FEW CASES ADMINISTRATIVE PRESSURE HAS BEEN BROUGHT TO BEAR TO ACCOMPLISH SAME ENDS. SINCE JANUARY 1973 THERE HAVE BEEN PRESSURES ON SEVERAL CATGORIES OF EXPORTS WHICH ARE STILL IN EFFECT.

A. POLYETHYLENE, POLYSTYRENE AND PVC, IF PURCHASED FROM LOCAL ISRAELI REFINERIES ARE TEMPORARILY FORBIDDEN TO BE EXPORTED. THESE ITEMS CAN BE PURCHASED CHEAPER IN ISRAEL THAN FROM ABROAD, BECAUSE REFINERIES ARE BUYING OIL AT SUBSIDIZED PRICES FROM SINAI OIL FIELDS. IMPORT OF THESE COMMODITIES MAY BE RE-EXPORTED.

B. IRON AND STEEL SCRAP EXPORTS HAVE ALSO BEEN LIMITED BY LIMITED OFFICIAL USE

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ADMINISTRATIVE FIAT. DEMANDS OF LOCAL INDUSTRY ARE HIGH AND

SCRAP DEALERS HAVE READY MARKET. IN EXCEPTIONAL CASES EXPORT LICENSE MAY BE GRANTED. TWO MOST COMMON CASES ARE: (1) WHEN AN ORDER IS PLACED BY FRIENDLY GOVERNMENT AND ISRAELI AUTHORITIES DETERMINE THAT IT IS IN THEIR INTEREST TO EXPORT; AND (2) IN UNLIKELY EVENT THAT SCRAP SUPPLY IS LARGER THAN DEMAND.

C. PAPER SCRAP IS NOW DIFFICULT FOR ISRAEL TO IMPORT. PRICES ARE HIGH, WITH LATE DELIVERIES. MINISTRY OF COMMERCE AND INDUSTRY IS CONSIDERING ADMINISTRATIVE CONTROL ON EXPORTS; HOWEVER, NO DETERMINATION HAS BEEN MADE. THERE ARE NO OTHER FORESEEABLE SHORT

SUPPLY PROBLEMS AND NOT OTHER KNOWN PRESSURES FOR EXPORT CONTROLS; BUT RESERVATION IS MADE THAT MUCH DEPENDS ON EVOLVING WORLD MARKET CONDITIONS.

- 2. THERE ARE NO KNOWN AGREEMENTS TO TRADE ON BARTER TERMS, ALTHOUGH IT IS QUITE POSSIBLE THAT PRIVATE CONTRACTUAL ARRANGEMENTS CONTAIN SUCH TERMS.
- 3. LIST OF EXPORT LICENSE REQUIREMENTS WILL BE TRANSMITTED SHORTLY BY AIRGRAM. KEATING

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Message Attributes

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